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VIA ECF

February 7, 2023

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Hon. Katharine H. Parker
United States District Judge
Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007

Re: Spectrum Dynamics Medical Limited (Plaintiff) v. GE et al. (Defendants); Case No.: 18-cv-11386 (VSB)

Dear Judge Parker:

Pursuant to Federal Rule of Civil Procedure 5.2(e), Your Honor's Individual Rule of Practice III(d), and the parties' Stipulated Protective Order (ECF No. 156), Spectrum respectfully requests redaction and filing under seal of certain portions of the January 5, 2023, hearing transcript (ECF No. 618). The proposed redactions are shown in Exhibit 1. Defendants do not object to this request.

Throughout the hearing, counsel and Your Honor referenced a GE patent, by number and other identifying information, that Spectrum contends contains misappropriated Spectrum trade secrets. Judge Broderick previously granted Spectrum's request to redact such information from its First Amended Complaint because "the mere disclosure that GE owns the identified patents containing the trade secrets, with an assertion that they contain misappropriated Spectrum technology, informs potential competitors that Spectrum's system (the first of its kind on the market) contains some of the features disclosed in such patents." ECF No. 32 at 1. For the same reason, Judge Broderick also granted Spectrum's request to redact such information from its Motion for Leave to Amend Complaint. ECF No. 552.

For these reasons, Spectrum respectfully requests redaction and filing under seal of the January 5, 2023, hearing transcript.

Respectfully Submitted,

/s/ Esha Bandyopadhyay
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Spectrum's proposed redactions are narrowly tailored to protect competitively sensitive information in accordance with *Lugosch v. Pyramid Co. of Onondaga*, 435 F.3d 110 (2d Cir. 2006) and its progeny. Accordingly, the motion is GRANTED. The transcript from the 1/5/2023 conference shall incorporate Spectrum's proposed redactions. The Clerk of the Court is respectfully directed to terminate the motions at ECF No. 625 and 626. The filing at ECF No. 626 may remain under seal.

SO ORDERED:

Katharine H Parker

HON. KATHARINE H. PARKER
UNITED STATES MAGISTRATE JUDGE 2/9/2023

cc: All counsel of record (via ECF)

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SPECTRUM DYNAMICS MEDICAL LIMITED, : Docket #18-cv-11386

Plaintiff, :

-against- :

GENERAL ELECTRIC COMPANY, et al, : New York, New York

Defendant. : January 5, 2023

---: CONFERENCE

PROCEEDINGS BEFORE

THE HONORABLE KATHARINE H. PARKER

UNITED STATES MAGISTRATE JUDGE

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INDEX

E X A M I N A T I O N S

Witness	Direct	Cross	Re-Direct	Re-Cross
None				

E X H I B I T S

Exhibit Number	Description	ID	In	Voir Dire
None				

THE DEPUTY CLERK: Calling case 18 Civil 11386; Spectrum Dynamics Medical versus General Electric Company.

Beginning with counsel for the plaintiffs, could you please make your appearance for the record.

MR. AUTUORO: Yes. Good morning, your Honor. Michael Autuoro, from Fish & Richardson, for Spectrum Dynamics Medical Limited.

THE COURT: Hi.

MR. PECHETTE: Alex Pechette, also from Fish & Richardson.

THE COURT: Hi. Nice to meet you in person.

THE DEPUTY CLERK: Counsel for the defendants, please make your appearance.

MR. GODSHALK: Yes. This is Jesse Godshalk, from Thompson Hine, on behalf of defendant.

MR. LANCIAULT: And Brian Lanciault, also from Thompson Hine.

THE COURT: Okay. Nice to meet everybody in person finally.

So there are a couple things on the agenda. First, I was pleased to see that you

worked out the trade secret chart. So that's great. One less issue to deal with.

Next there's the issue of the proposed amendment to the Complaint. And you requested oral argument. I've read through the papers. So I will hear from plaintiffs first, and then I'll hear from defense counsel.

MR. PECHETTE: Good morning, your Honor. Alex Pechette from Fish & Richardson, on behalf of the plaintiff.

There are four points I'd like to make, your Honor. First, Spectrum did not unduly delay in seeking to amend. Second, GE has not met its burden of showing undue prejudice. Third, the [redacted] patent implicates the same set of facts as the other patents already in issue. And, fourth, GE has not met its burden of showing that the amendment would be futile.

As to the issue of undue delay, Spectrum neither knew nor should have known about the [redacted] patent until June 20, 2022. Under binding Federal Circuit law, that is the date when the clock started, not when the patent issued and certainly not when the application published. And the cases I'm referring to are *Advanced Cardiovascular*

Systems and *Pei-Herng*. Those Federal Circuit cases control over the contrary District Court cases that GE cites.

THE COURT: I'm sorry. Give me the date again.

MR. PECHETTE: June 20th, 2022.

THE COURT: Right. And that's when the Spectrum employee learned of the patent, when it was issued?

MR. PECHETTE: That's correct.

THE COURT: Okay.

MR. PECHETTE: Yes.

After learning of the [redacted] patent, Spectrum diligently investigated. It performed its Rule 11 inquiry. Spectrum then notified GE of its claim via interrogatory response and sought GE's consent to amend the Complaint. When the parties reached an impasse, Spectrum filed this motion the very next day. All that happened within four months of learning of the [redacted] patent.

GE does not contend that four months amounts to undue delay, and the case law is clear that it does not. For example, *American Medical Association*, the Court held that seven months was not an undue delay. Even if the clock started when

the patent issued, the delay would still not be undue. Spectrum filed this motion less than a year after the patent issued.

In *Memry*, another case involving correction of inventorship claims, the Court found no undue prejudice -- I'm sorry, no undue delay, where the plaintiff sought to amend 15 months after the patent had issued. And that case, your Honor, was decided under the more stringent good cause standard under Rule 16(b), not the liberal standard of Rule 15(a), which applies here.

So we ask your Honor to find that Spectrum did not unduly delay.

Turning to the issue of undue prejudice, GE has not met its burden. First, no significant additional discovery would be necessary. And second, the amendment would not significantly delay the resolution of this case. Spectrum already served written discovery on this patent. I would direct your Honor to Exhibit G, page 17. It's a rog response that we served. And there we explained our conception story with respect to the [redacted] patent. And GE simply does not address this anywhere in its briefing.

As for depositions, Spectrum already

deposed the first named inventor, who is [redacted] and we asked him questions about this specific patent. GE, on the other hand, opted not to ask the Spectrum inventors any questions about the [redacted] patent. They certainly could have, your Honor, because we gave them notice of Spectrum's claim in September, and those depositions didn't happen until November, but they chose not to. So any prejudice flowing from that decision is entirely self-inflicted.

As far as documents, Spectrum has already produced --

THE COURT: Actually, let me stop you for a second on this issue of the depositions and what questions were asked or not asked. Is it your contention that it's the same trade secrets that are at issue with respect to the other patents as this new patent?

MR. PECHETTE: It is the same trade secrets, yes.

THE COURT: So wouldn't the questions concerning those trade secrets cover the [redacted] patent? I guess I'm trying to understand when you say -- what specific questions would there be for the [redacted] patent?

MR. PECHETTE: So there is a lot of overlap, your Honor, in the technology that's described in the [redacted] patent and the technology that's described in the other patents. There are a couple of differences in the [redacted] patent, and that's what I was referring to when I said we asked questions specific to the [redacted] patent.

THE COURT: What are those differences?

MR. PECHETTE: [redacted] Those details are specific to the [redacted] patent, and we asked Mr. [redacted] questions about that aspect of the [redacted] patent.

THE COURT: Okay.

MR. PECHETTE: And, your Honor, going back to the rog response I mentioned a minute ago, that's what I was also talking about. In the pages that I cite, we described our conception story with respect to those additional details specific to the [redacted]

THE COURT: So you provided to GE why you say Spectrum owns those trade secrets or invented and conceived of those particular aspects, [redacted]

[redacted]

MR. PECHETTE: Correct.

THE COURT: So that information was already provided.

MR. PECHETTE: Correct.

THE COURT: Okay.

MR. PECHETTE: We also produced documents specific to those details, and we cited them in that interrogatory response.

THE COURT: Okay.

MR. PECHETTE: For GE's part, any additional document collection we think would be minimal. In its briefing, GE does not contend that the additional documents it would need to collect are voluminous. GE already collected relevant documents from the first named inventor. That was [redacted] The other two inventors likely do not have many relevant documents. To my knowledge, their names don't appear in the documents produced to date so they're likely not important players.

And, also, GE has represented that the order of inventors on a patent matters. They name inventors in order of their contributions to the patent. So these second and third inventors likely

have fewer relevant documents.

One last point regarding prejudice, your Honor. GE does not contend that the amendment would significantly delay the resolution of the case. So GE has forfeited any argument regarding that prong of the undue prejudice analysis. So we ask the Court find no undue prejudice.

THE COURT: Okay. Will the outcome of the claims in this case affect the validity of the claim on the [redacted] patent? In other words, would there be some kind of res judicata or preclusion based on what happens in this case? Have you done that analysis?

MR. PECHETTE: We have not done that analysis, your Honor. Just off the top of my head, there's a lot of overlap, so I think it's very possible that there would be some kind of res judicata effect. There might be some daylight -- if Spectrum were to not prevail on the other claims, there might be some daylight because of the additional technical details in the [redacted] patent, but we just -- I can't say off the top of my head.

THE COURT: And if the motion to amend is denied, is it your position that you could just bring another suit on this -- independent suit on

the [redacted] patent?

MR. PECHETTE: Yes, your Honor. And I don't believe that that is disputed.

Turning to my third point, your Honor, the [redacted] patent is substantially similar to the other patents-in-suit, and I actually have a demonstrative on this point, if I may.

THE COURT: Sure.

MR. PECHETTE: Your Honor, if you turn to page 6, this is a comparison of the [redacted] patent and the [redacted] patent, which is a patent that's already in the case. Both of these patents share a common named inventor. That's [redacted] who, again, we already deposed. The patents also share the same two embodiments. You can see that in the figures here. They're nearly identical.

Not only are the patents similar, so are Spectrum's claims to the patents. With respect to all the patents at issue in this case, Spectrum's claim is that GE induced Spectrum to reveal its trade secrets under the guise of a potential business deal, and then GE took those trade secrets and used them to develop its own product and to file patent applications. So all of Spectrum's correction of inventorship claims share a common

set of operative facts. The [redacted] patent, therefore, fits naturally into this case.

My final point, your Honor. GE has not met its burden of showing that the amendment would be futile. GE does not dispute that Spectrum's correction of inventorship claim would survive a motion to dismiss, and that's count 14. GE only argues that count 13, which is fraud on the PTO, would not survive a motion to dismiss. But futility as to one of multiple counts is not sufficient. And in any event, the Court has already rejected GE's argument regarding count 13 and held that Spectrum alleged sufficient facts to establish an Article III case or controversy. I would direct your Honor to docket number 73 at 36 to 39.

THE COURT: That's Judge Broderick's decision.

MR. PECHETTE: Correct.

THE COURT: Yes. Okay. Defendants argue that the publication of the patent application in [redacted] puts you on constructive notice of the patent, and they cite case law for that proposition.

What's your response to that?

MR. PECHETTE: So the Pei-Herng case from the Federal Circuit held the opposite. It addressed this very issue, and it held that the publication -- even if a plaintiff is aware of the publication, the claim to correction of inventorship under Section 256 does not accrue until the patent actually issues.

And in that case, the District Court had held that there was constructive notice of the patent from the date of the publication of the application, and the Federal Circuit reversed that holding. So the District Court cases that GE cites that hold the opposite are not controlling.

THE COURT: Okay. Now, if the amendment is granted, what additional documents or depositions do you think would be necessary, and how long do you think it would take to conduct that discovery?

MR. PECHETTE: Spectrum has already completed its document production. We don't see any other documents that would need to be produced from Spectrum. Same with depositions. We've already taken the deposition of the first named inventor. There's two other named inventors, but at this point, I don't think we see the need to

depose those individuals.

For GE's part, they have said that they will need to collect additional documents from the named inventors. And as I said before, I don't think that GE has contended that that document collection is voluminous. And also, your Honor, just citing that additional document discovery is necessary is not a sufficient basis to deny leave to amend under Rule 15.

As far as depositions go, they've already deposed the two individuals at Spectrum who Spectrum contends are the true inventors. That would be Nathaniel Roth and Yoel Zilberstein. And they had multiple days with each of these individuals, and they opted not to ask any questions about the [redacted] patent. They did, however, ask questions about the other patents-in-suit, and that inquiry took all of one hour and 37 minutes. So if they were to request a deposition of Mr. Roth on the [redacted] patent, we think that could be handled quite quickly.

THE COURT: So you would make those individuals available again?

MR. PECHETTE: We would be willing to make Nathaniel Roth available. He's the 30(b)(6)

designee on the conception of what we contend are the misappropriated patents. And we would propose that he be limited in time -- that that deposition be limited in time.

THE COURT: How long do you think would be necessary?

MR. PECHETTE: Considering that the other seven patents already at issue only took an hour and 37 minutes on the record, we think that an hour would be sufficient. We would also ask that that deposition be taken remotely, since that witness --

THE COURT: He's in Israel, right?

MR. PECHETTE: Yes, correct.

THE COURT: Okay. All right. Thank you. I'll hear from GE next.

MR. GODSHALK: All right, your Honor. I want to start by addressing some specific points that opposing counsel made. First of all, he cited the *Memry* case. I think that case is readily distinguishable, and, actually, it's distinguishable on the same grounds as the *SpeedFit* case, which Spectrum also cites in its briefing.

In both of those cases, you had a plaintiff who wanted to add additional patents to a Complaint by way of amendment, but the patents that

they wanted to add all claimed priority to a patent application that was cited in prior pleadings. So everyone knew that the patents that were being added, that they were going to be part of the case. And that is not what we have here. Spectrum cannot point to any patents or patent applications in the existing pleadings that are in the same family as the [redacted] patent.

THE COURT: What's the significance of being in the same family of patents?

MR. GODSHALK: Yeah. When they're in the same family, your Honor, it means that they are closely related patents, that they have closely related technology.

THE COURT: So why would this -- Spectrum has provided me an exhibit comparing the [redacted] patent and the [redacted] patent -- to my eyes, which I'm not an expert, looks pretty similar.

MR. GODSHALK: Yes.

THE COURT: What's different that they would be in a different family?

MR. GODSHALK: Yes, your Honor, and I think that, to me, to be frank, the comparison of the two patents in -- this is on page 5 of the hand- -- or page 6, I'm sorry, of the handout from

opposing counsel. I think that's something of a red herring because what they're comparing here are two figures -- first of all, there are many, many, many figures in each one of these patents, and these are just figures that show an embodiment of the invention. And it may not even be -- actually, I'm sure of this, that it's not the entirety of these figures that's being claimed.

I guess the bottom line is, to know what is covered by an invention, you have to look -- or by a patent, you have to look at the claims of the patent. It's not the figures that control. It's not the embodiments that control. It's not the background of the invention. It's the claims themselves.

So I think just comparing figures from various patents is not very telling. Oftentimes, patent prosecutors will simply copy and paste figures from prior patents. Sometimes they'll even copy and paste the entire specification, you know, the part of the patent that leads up to the claims, they'll just copy and paste from a prior patent. And that is not to say that they are closely related. It's just --

THE COURT: I'm sorry, I'm going to just

interrupt you for a second to ask about the -- both of these machines photograph internal organs --

MR. GODSHALK: Correct.

THE COURT: -- take image of internal organs --

MR. GODSHALK: Correct.

THE COURT: -- by having a patient lie down and go into the machine, and cameras are at various places around the body and at various distances from the body to take the image.

MR. GODSHALK: Correct.

THE COURT: And they're both taking images of the same types of organs; is that right?

MR. GODSHALK: Well, yes, but I mean --

THE COURT: So why would there be a different family? I don't understand.

MR. GODSHALK: Well, I think that, first of all, in terms of taking images of the same organs, these are both full-body scanners. I mean, all of the technology at issue is full-body scanners. So we're talking about scanners that can take images of any part of the body.

THE COURT: What's the material difference between the two families, if you know?

MR. GODSHALK: Well, you know --

THE COURT: In plain English.

MR. GODSHALK: Frankly, I don't know if that's even really a -- I'm not sure if that question can be answered that way.

THE COURT: I see.

MR. GODSHALK: But I don't know -- certainly, I can't give you a clear answer on that.

THE COURT: So what is your view on whether or not the outcome of this case would have any kind of preclusive effect on an independent claim involving the [redacted] patent?

MR. GODSHALK: Yes. Your Honor, as with opposing counsel, that's not something that I have analyzed, but I don't think that it would certainly have a full res judicata effect. Like, I don't think that, for instance, a decision in this case would preclude Spectrum completely from pursuing a separate claim involving the [redacted] patent.

THE COURT: Those two independent trade secrets as well.

MR. GODSHALK: Well, it's independent patents. So I would think that, regardless of what happens in this case, they could certainly bring a separate claim based on the [redacted] patent.

THE COURT: Okay. And what is GE's view

on whether it would be more efficient to simply add this here versus face a separate lawsuit?

MR. GODSHALK: Yeah, I think it would be more efficient to -- if Spectrum really believes that it has a, you know, merit-worthy claim based on the [redacted] patent, for them to bring a separate lawsuit rather than continuing to delay this litigation, which has already been -- gone on for more than four years and has already been delayed by Spectrum's past conduct when they filed a motion for preliminary injunction after several years of litigation and which really sent the case sideways and delayed it.

And I think that this motion for leave has the potential to do the same because we are just 20 days away from the deadline for filing opening expert reports. But before the experts can prepare their reports, they need to have the underlying facts upon which those reports will be built. And I think that if the [redacted] patent is added, there is going to be significant additional discovery that will be needed.

THE COURT: Tell me what that is.

MR. GODSHALK: Yes. So, let's see. To start, I think it's important to note that there

has been very, very little discovery so far relating to the [redacted] patent. So, I mean, that is an important baseline.

You know, fact discovery has obviously now closed in the case, and while it was going on, neither party served any interrogatories, any request for production or any request for admissions directed to the [redacted] patent, its application, or any of the patents within the same family. Defendants also didn't collect, review and produce documents specifically relating to this patent, its underlying application, or other patents in the same family.

And, indeed, we didn't collect any documents from two of the named inventors, Mr. [redacted] and Mr. [redacted] Mr. [redacted] is no longer a GE employee, and we've had no contact with him whatsoever, and we're not even sure how to get ahold of him.

Finally, during depositions, we didn't ask witnesses any questions about the [redacted] patent, its application, or its family members. And I understand opposing counsel kind of makes an issue out of this, that we ought to have done that. I disagree because under Rule 26 parties are only

permitted to take discovery that is relevant to the claims and defenses in the case. Until the [redacted] patent is added -- if it gets added to this case -- then it's not relevant to this case. Things about it are simply irrelevant to the case. So it's not a proper matter for discovery.

It's also defendant's position they shouldn't have to incur the costs and expenses and time and effort to take discovery of the [redacted] patent, that it's unduly prejudicial. So I don't understand why we would willingly take on those burdens by going ahead and taking the discovery during the discovery period. No, our position is we shouldn't have to do that.

Also, opposing counsel has argued that they've basically provided ample written discovery on the [redacted] patent, and they point to a single interrogatory response. First of all, that interrogatory didn't ask about the [redacted] patent. So it was kind of gratuitous on their part to add it into their response. But in any event, it doesn't provide much detail at all on this claim. Over maybe one or two pages, it basically lays out their basic contentions for what information they claim that they provided to the defendants that would be

relevant to this patent. But it's not robust discovery on this.

THE COURT: But really this claim concerns trade secrets. There wouldn't need to be any separate claim construction or anything like that, would there, on this (inaudible) claim?

MR. GODSHALK: You are correct about that. I do not foresee the need for there to be any claim construction if this patent is added. That's correct.

In terms of the discovery that I think will need to happen, because so little fact discovery has happened so far, I mean, I would anticipate that both sides would want to serve requests for production, interrogatories and requests for admissions relating to the [redacted] patent. I know we will. And these, in turn, will require defendants to prepare written objections and responses and also to search for documents from two new custodians, Mr. [redacted] and Mr. [redacted] who were named inventors of the [redacted] patent.

We'll also have to collect documents from central GE databases, such as the Anaqua database, which holds GE's patents and their patent applications and patent materials. And I

anticipate we'll have to collect documents from three existing custodians, Mr. Hefetz, Gil Kovalski and [redacted] given Mr. Hefetz and Mr. Kovalski are kind of involved -- they're members of this patent examination board at GE. And then [redacted] is, again, one of the named inventors.

Now, in terms of the volume of documents, I will say this. Opposing counsel mentioned that he asked questions of Mr. [redacted] at his deposition about this patent. And I think the answers that Mr. [redacted] provided are telling and are relevant here. Mr. [redacted] said -- he testified that he had "many e-mails" and "a lot" of e-mails relating to the conception of the [redacted] patent. He also -- in discussing conception of this patent, he mentioned a company called LETI -- that's L-E-T-I -- that I'd never heard of. I don't think it's been at all on our radar. I don't think we've collected any documents relating to it. And that was all part of his conception story for this patent.

THE COURT: You mean this other company collaborated, potentially, on this conception?

MR. GODSHALK: I don't know if they collaborated in conception. I don't know if I'd

say that precisely. But what Mr. [redacted] said was he said that he was collaborating with LETI and that out of that collaboration, he developed the idea. He developed the idea for the [redacted] patent. I don't want to make it sound like LETI is a potential inventor. I don't think that's the case. But, you know, based upon that testimony and other facts that we know, I think we reasonably can anticipate that the volume of additional documents will be large.

In terms of serving additional interrogatories, I'll tell you that Spectrum has taken the position that they've already answered more than 25 interrogatories. So I anticipate that they will resist any efforts on our part to serve additional interrogatories relating to the [redacted] patent. So that will likely produce a discovery dispute that will have to be resolved.

And then, in terms of depositions, as mentioned, we would like to reopen -- if this amendment is allowed, we would like to reopen Mr. Roth's deposition, but also Mr. Zilberstein. Spectrum claims that both of these men are -- should have been the named inventors -- the exclusive inventors on the [redacted] patent. So we are

going to want to ask them about this patent.

THE COURT: You're going to probe their conception story.

MR. GODSHALK: Yes. In preparation for this hearing here today, I spoke with the attorney on our team who deposed Mr. Zilberstein and Mr. Roth, and he said, absolutely, I want to ask them questions. If this amendment is allowed, I'm going to want to ask them questions about every claim in this patent.

And I know that opposing counsel has said something about -- that with prior patents, we only spent an hour and 37 minutes, something like that. I don't know where that figure comes from. I don't know what that's based upon. But I would imagine we're going to want to spend significant time with these individuals, you know, questioning them about these two patents.

And, lastly, in terms of additional discovery, Spectrum has indicated that if this amendment is allowed, they're going to want to amend their trade secret table again. As your Honor knows, prior amendments to this trade secret table have been a source of disputes between the parties. So, you know, it's certainly possible

that if they amend their trade secrets table, that could bring about additional disputes in this case.

And I think taking all of this discovery and all these facts into consideration, if we're going to go down this route -- go down this path and allow the [redacted] patent to come in and we're going to take discovery on it, I think we're going to have to push back expert discovery until we've completed this additional fact discovery. So I think it will significantly delay the case if the [redacted] patent comes in.

Quickly, I want to -- yes.

THE COURT: How do you respond to Spectrum's argument that any delay itself is not a basis for denying the amendment and their argument that they delayed in raising this? They're saying the Circuit case law supports the fact that the relevant date for when they knew would be June 2022 and they didn't delay seeking this.

MR. GODSHALK: Yes, your Honor, happy to address that. I think, first of all, what I would say in response to that is opposing counsel said that the case law from the Federal Circuit -- and his words were "addressed this very issue."

I'll tell you, that is not accurate. The

cases that they cite from the Federal Circuit involved laches, which is not what we are talking about here. We are talking about motions or a motion for leave to amend the pleadings. So the cases they cite are not directly on point.

And for the reasons that we have laid out in our briefing, we think the Court should look at constructive notice. But I also think this is -- you know, it's almost unnecessary to decide this thorny legal issue because I think even if we apply the standard that Spectrum has advocated, then they still unduly delayed. They say the standard is Spectrum knew or should have known of the issued [redacted] patent. That's the standard we have to look at, they say. Well, I would submit that they should have known of this patent when it issued in [redacted] more than a year ago.

Spectrum alleged in its initial Complaint that defendants engaged in a systematic effort to patent Spectrum's technology. Based on that allegation, Spectrum should have been closely monitoring GE's patent filings. And the -- we've talked about the first named inventor on this patent is [redacted] He's a named defendant in this case and he is one of the

named -- or he's a named defendant and he's a named inventor of many of the other patents that are already at issue.

THE COURT: So you're saying they could have searched his name and found it.

MR. GODSHALK: Yes. Not only could have, but should have. You know, if -- he is probably one of the top one or two most important people on the GE side in this case. So, you know, of all the people that they should have been looking out for, inquiring about, he would be it.

And in the case law that they have cited, particularly the *Advanced Cardiovascular* case -- that's the Federal Circuit case from 1993, so that case elucidates what it means -- this should-have-known standard. What the case says is, when we try to determine whether a party should have known, we look at whether that party had information that would have led a reasonably intelligent person to inquire further. And Spectrum certainly, they certainly had information that would have led them to inquire further, based on their belief that GE was filing all these patent applications that covered Spectrum's technology. So they should have learned of the [redacted] patent when

it issued, and yet they waited an additional year to seek leave to amend, and it's at a particularly inopportune time now that fact discovery has closed in this case.

THE COURT: And what is GE's position on whether -- I think I already asked you this question -- whether Spectrum can simply file another case, independent case, just on the [redacted]

MR. GODSHALK: We agree with that. We agree that they could.

THE COURT: Okay.

MR. GODSHALK: Let's see, I wanted to address -- one of the other things that opposing counsel said was he said that the order of the inventors on the patents matters, and that because [redacted] is the first named inventor on this patent, we should expect that most of -- that he did most of the invention or that he has most of the documents, something along those lines.

And I know that there was a time in the past when GE made that representation that the order of the inventors matters. But we then rescinded that. We looked into that further and we found out that was not factually accurate, that counsel had just misunderstood this. And so we

retracted that and said that's not actually true. The order of the inventors doesn't matter. So just to make clear, the order of the inventors does not matter.

Let's see. And then, with regard to futility, I just really quickly wanted to note, so opposing counsel said that with regard to futility, it doesn't matter if just one of the claims is futile, that's not enough. I don't know of any case law to that effect. He didn't cite any case law to that effect.

THE COURT: Right, but doesn't that mean they could bring one and not the other? I mean, in a motion to amend, if one of the two claims is futile, then just the non-futile claim could be brought --

MR. GODSHALK: Well --

THE COURT: -- in theory, right?

MR. GODSHALK: Well, that is true, your Honor.

THE COURT: And what do you say to Spectrum's statement that Judge Broderick already found that it wasn't futile --

MR. GODSHALK: Yes.

THE COURT: -- because wouldn't that be

law of the case?

MR. GODSHALK: Yes, your Honor, I do have a response to that. So I know what Judge Broderick ruled in that ruling. That's a ruling from June of 2020. That may even be before the application for this patent was even filed. But, certainly, I have no reason to believe that when Judge Broderick made that ruling that he was thinking about future issuing patents. He said nothing in that ruling about patent applications that might be filed after his ruling or patents that might issue after his ruling. That ruling has nothing to do with and does not apply to after issuing patents. It was a ruling that was specific to the patents that were in front of him at the time.

One other thing I want to point out before I cede the podium is that -- and this relates to Judge Broderick's prior ruling on a motion to dismiss in this case. So the Second Amended Complaint, one of the things that it does is it repleads in toto three claims that were already partially dismissed by Judge Broderick.

So in May of 2019, Spectrum filed its First Amendment Complaint. We moved to dismiss all but one of the claims. So a very broad motion to

dismiss. Then in June of 2020 Judge Broderick -- he granted that motion in part and denied it in part. And with regard to Spectrum's count 1 for breach of contract, count 2 for misappropriation of trade secrets and count 13 for fraud on the USPTO, he dismissed those claims in part.

Now, when Spectrum put together its Second Amended Complaint, it didn't account for this ruling at all. It repled these claims in their entirety, including the parts that Judge Broderick had previously dismissed. So I would submit that the Second Amended Complaint is in contravention of this prior order.

And I think it's significant, because if they are allowed to file the Second Amended Complaint, we are going to obviously move to dismiss not just the claim that we have noted is futile. We're also going to have to renew our prior motion to dismiss to basically redismiss parts of this Complaint that have already been dismissed. And then we're going to have to answer this 126-page Second Amended Complaint, which is a significant outlay of resources, not just for us, but the Court is going to have to then rule on the motion to dismiss. So it's a significant outlay of

resources for the Court as well.

THE COURT: Okay.

MR. GODSHALK: So I think, you know, for all these reasons, the Court should deny the motion, that is, unjustified delay, undue prejudice and futility.

THE COURT: Thank you.

MR. PECHETTE: Your Honor, just a couple of points to address the points raised by opposing counsel. Opposing counsel mentioned that the *Pei-Herng* and *Advanced Cardiovascular Systems* cases are distinguishable because they were based on laches. The District Court cases that GE cites were also about laches or the statute of limitations, which is the same. So if that is a reason for distinction, then their cases also should fall.

The second thing is they mentioned that Spectrum should have known about the patent from the date of issuance, even applying the standard that Spectrum is advocating for. If that were the case -- we filed this motion less than twelve months after the patent issued. There's case law that shows that that is not an undue delay. So even if we were to measure from the day of the

filing -- or, I'm sorry, of the issuance of the patent, there would still be no undue delay.

Counsel also mentioned that we should have been following their patent applications more closely given the allegations in the Complaint. As we mentioned in the reply brief, there have been 7,862 patent publications from GE since the filing of the Complaint and 321 of those appear to be related to the same technology. So it's like finding a needle in a haystack, your Honor.

THE COURT: Well, can't you just do a name search for the inventor?

MR. PECHETTE: We could do a name search for the inventor. There are many named inventors on the patents at issue in this case. They mention [redacted] Yes, we could have searched for [redacted] name, but he's just one of several inventors in this case.

Regarding the arguments that counsel made about the amendment delaying the resolution of this case, I want to reiterate that GE did not make that argument anywhere in their briefing. So that argument is brand-new today and it's forfeited. And if there is any delay, it would be minimal. The case law shows that if you file your motion to

amend before the close of fact discovery, before there's any date set for trial and before there's a schedule set for expert discovery, that's not going to significantly delay the resolution of the case. And that's the case here.

Also, with respect to discovery, opposing counsel now says that the additional documents they would need to collect would be large. Again, that's an argument that they didn't make in their briefing. It's forfeited. And even if that argument were heard today, that alone would not be reason to deny leave.

As far as depositions, we are willing to put Nathaniel Roth up. He's the 30 (b)(6) designee. We don't think it would require much time at all. As I said, if you look at the transcripts of his deposition, counsel spent an hour and 37 minutes asking him specific questions about --

THE COURT: Okay, you mentioned that.

MR. PECHETTE: Yes.

THE COURT: What about the other guy?

MR. PECHETTE: So Yoel Zilberstein, his -- he was only designated as a 30(b)(1) witness, and his seven hours -- they actually exceeded the seven

hours on the record for him. So we consider his deposition closed. And, again, they could have asked him questions. They had notice of these claims. And counsel also mentioned that it would have been inappropriate to ask about the [redacted] patent because --

THE COURT: Yeah, Rule 26 is pretty clear. You can't ask about things that aren't -- about things that aren't relevant to the claims and defenses.

MR. PECHETTE: We certainly would not have objected on that basis. And, in fact, in our reply brief we invited them to ask these questions. We even offered to put up these witnesses for additional time if they wanted to address the [redacted] patent.

And as far as efficiency, your Honor, counsel said that it would be more efficient to start a brand-new case and have a completely new docket, new discovery requests. We think that that is just not correct, your Honor. It would be much more efficient to just fold this patent into this case where it naturally fits. The overlap in the subject matter between this patent and the other patents already in the case is large.

The only additional details that this patent brings are what I mentioned before, [redacted]. And opposing counsel does not dispute that those are the only relevant differences in the [redacted] patent. To bring an entirely new case just to address those minor issues would not be an efficient use of the Court's resources or the parties' resources.

THE COURT: Okay. All right. Thank you.

Chris, can we go off the record for a second?

(Discussion held off the record.)

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C E R T I F I C A T E

I, Adrienne M. Mignano, certify that the foregoing transcript of proceedings in the case of Spectrum v. General Electric Company, et al. Docket#18CV11386, was prepared using digital transcription software and is a true and accurate record of the proceedings.

Signature Adrienne M. Mignano

ADRIENNE M. MIGNANO

Date: January 6, 2023